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STATE PROCUREMENT OFFICE
STATE OF HAWAII

STATE PROCUREMENT OFFICE

NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer
2. FROM: DBEDT/Strategic Industries Division/Renewable Energy Branch

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Please see attached.

4. Name of Vendor: AECOM Technical Services, Inc.

Address: 1001 Bishop Street, Suite 1600
Honolulu, HI 96813

5. Price:

\$2,997,947.00

6. Term of Contract:

From: 1/3/2011 *ll*
20 May 2010

To: 31 Oct 2011

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Please see attached.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Please see attached.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

Please see attached.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:			
Name	Position	Involvement in Process	
Richard C. Lim	Interim Director, DBEDT	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Theodore A. Peck	Energy Program Administrator	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Maria Tome	Renewable Energy Program Manager	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Jeffrey Pang	Research Statistician	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Susan Gray-Ellis	Contracting Specialist	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Joshua B. Strickler	Renewable Energy Facilitator	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

13. Direct inquiries to:	Department: DBEDT/SID Contact Name: Joshua B. Strickler Phone Number: 587-3837 Fax Number: 586-2536
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*



 Department Head

DEC 30 2010

Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>1/3/2011</u>	
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
Chief Procurement Officer's comments: <p>The contact person, Mr. Joshua Strickler, has written delegated procurement authority and has taken most of the mandatory procurement training. As a reminder, Mr. Strickler cannot participate in procurement activities until the requirements of Procurement Delegation No. 2010-01 and Procurement Circular No. 2010-05 as appropriate have been met. Approval is granted for the period 01/03/11 to 10/31/11 and is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. This award is required to be posted on the Awards Reporting System.</p>	

16. ☒ **APPROVED** ☐ **DISAPPROVED** ☐ **NO ACTION REQUIRED**

 3/7/2011
 Chief Procurement Officer Date

3. Description of goods, services or construction:

The services proposed would alter and expand the scope of an existing contract. The new services to be procured under the new scope are for the preparation of a programmatic environmental impact statement ("PEIS") for the Hawai'i Interisland Renewable Energy Program: Wind ("HIREP: Wind"). Included in this objective are the preparation of scientific and technical studies to support the PEIS, management and quality assurance plans, Cultural Impacts Assessment, biological studies of species in nearshore waters and wetlands, and strategic support. The contemplated services also includes conducting alternative facility location screenings, evaluations and ranking, preparing required documentation for National Environmental Policy Act (NEPA) and Hawai'i Environmental Policy Act (HEPA) compliance for the HIREP:Wind and conduct the public involvement process. Inasmuch that it is practical, prudent, feasible and within budget, services shall also include more specific environmental studies that will facilitate the completion of a subsequent project-specific EIS. Services shall also include pre-consultation coordination with probable permitting agencies.

Under the original contract, similar services were considered, however, less effort allocated to strategic support was contemplated. Additionally, under the original contract, it was expected that the State's partners in the Interisland Wind Initiative would complete their own respective environmental studies and provide that information to the State. The State Department of Business, Economic Development and Tourism ("DBEDT") issued a Request for Proposals ("RFP" or the "solicitation") that described this strategy. The State's industry partners in this initiative were given a chance to review the RFP prior to its release. After the RFP was released, proposals submitted and subsequently evaluated, and the original contract was executed, the State's industry partners in the initiative requested, via the Governor's office, that DBEDT re-examine its strategy for complying with the EIS laws. As DBEDT offered the State's industry partners ample opportunities to review its RFP prior to its release, it was not anticipated that they would request such changes in approach after the contract for the EIS was executed. As a compromise between the State, the Governor's office and the industry partners, DBEDT is now taking an approach that warrants changes to AECOM's contract scope. Notably, the State must now complete its own environmental studies that cover a greater geographic area in order to complete the programmatic EIS. While the total proposed budget remains the same, the budget under the original contract that was allocated to permitting and completion of a project-specific EIS has now been redistributed to the provision of more strategic support and completion of environmental studies covering a greater geographic area.

The proposed changes in scope would not have affected the original selection of AECOM. In the initial selection of AECOM, proposals were evaluated using four criteria: 1) Understanding the Contractor's Role and State's Needs; 2) Offeror's Organization and Staffing; 3) Offeror's Performance and Experience; and, 4) Offeror's Technical Response. AECOM's responses to the first three categories are independent of any proposed strategic support increases and geographic expansions to the existing scope as the AECOM-State relationship, AECOM's staffing, and past experiences remain the same. With regard to the fourth category, Offeror's Technical Response, it is also unlikely that the proposed changes in scope would have affected AECOM's original selection. As stated previously, the proposed changes in scope contemplates similar services as the original contract. The evaluation committee favorably viewed AECOM's approach and methodology to completing an EIS that only contemplated the Interisland Cable portion of the HIREP:Wind EIS. AECOM's approach and methodology to completing an EIS for the

entire HIREP:Wind is similar to what was originally evaluated, and would therefore be viewed upon just as favorably resulting in no change to the original selection of AECOM.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Under the current contract, AECOM has completed significant work. If DBEDT were to have to rebid the contract and procure a different contractor, that contractor would have to re-examine and reevaluate AECOM's work resulting in significant time delay and monetary waste. AECOM has already spent significant time and effort in getting familiar with all of the environmental issues, as well as the stakeholders in the project. In many cases, AECOM's team has already forged working relationships with community members and groups. If a new contractor were to replace AECOM, not only would all of AECOM's work effort be lost, but more importantly, the relationships it has built on behalf of the State would be destroyed and a new contractor would have to work even harder to rebuild such relationships for the State.

Additionally, funding for this contract comes from the American Recovery and Reinvestment Act ("ARRA") grant. Such funds must be expended by April 30, 2012 or they must be returned to the U.S. Department of Energy ("DOE"). If DBEDT were to cancel this contract and rebid, there would be no time left to complete the EIS before the funding would run out. No other funding has been earmarked for the completion of this programmatic EIS. As this EIS process is required for the development of the Interisland Cable, failure to complete the EIS process would halt the entire project. As this project is the lead project for the Hawai'i Clean Energy Initiative, the failure of this project would have massive negative repercussions for achieving State's goal of reducing the Hawai'i's dependency on fossil fuels by 70% by the year 2030. Therefore, rebidding this contract would not be advantageous to the State and its goals for energy independence.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

DBEDT's Strategic Industries Division (hereinafter, "SID") advertised a Request for Proposal (hereinafter, "RFP") No. RFP-10-01 on October 29, 2009 for the current contract. Six (6) different firms submitted timely proposals to SID by the due date and time of 11:00 a.m., January 14, 2010. To evaluate the proposals, SID assembled an evaluation committee composed of members with expertise in the various areas that may be impacted by the proposed project. The evaluation committee members included representatives from U.S. Department of the Interior - Minerals Management Services, Office of Hawaiian Affairs, Department of Accounting and General Services – Public Works Division, the National Oceanic and Atmospheric Administration - Hawaiian Islands Humpback Whale Marine Sanctuary, and the Department of Business Economic Development and Tourism – Strategic Industries Division.

The three firms that received the highest scores were placed on a priority list. The evaluation committee then held discussions with the priority listed firms on February 18 & 19, 2010. Subsequent to the discussions with the evaluation committee, the priority listed firms were invited to submit best and final offers. All three priority listed firms submitted timely best and final offers by the due date and time of 11:00 a.m. on March 8, 2010

AECOM's proposal received the highest total score. The evaluation committee, based on its assessment, determined that AECOM's proposal provides the best value to the State of Hawai'i.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

First, the procurement is reviewed by the SID Contracts Office before it is routed to the SID Administrator for approval; then, it is routed to the DBEDT Director for approval. Upon DBEDT Director's approval, agency personnel will revise the scope of the contract. Once the work has been completed and delivered, agency personnel will accept an invoice and process the invoice for payment through DBEDT's fiscal office and DAGS.